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FM AMEMBASSY MADRID
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INFO RUEHZN/EUROPEAN POLITICAL COLLECTIVE

UNCLAS SECTION 01 OF 04 MADRID 000105

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E.O. 12958: N/A

TAGS: [PGOV](#) [SP](#)

SUBJECT: SPAIN: ELECTION UPDATE FEBRUARY 1

REF: A. MADRID 55
[B.](#) MADRID 84
[C.](#) MADRID 73

[¶1.](#) (U) Summary: This cable continues our effort, started with ref a, to provide the flavor of the Spanish general election campaign. Politicians and pundits have said repeatedly the three key issues on March 9 will be the economy, terrorism, and regional autonomy. Events in the last two weeks have kept all three in the news. End summary.

Economy

[¶2.](#) (U) The plunge in the Spanish stock market (ref b) was bad news for investors, but it may have helped Popular Party (PP) candidate Mariano Rajoy with his message that he is better able to manage the economy than Spanish Socialist Workers, Party (PSOE) candidate Jose Luis Rodriguez Zapatero. The PSOE has blamed the economic problems on events beyond its control, principally in the U.S. and the rise of international oil prices.

Terrorism

[¶3.](#) (U) In the unlikely event anyone in Spain had forgotten the stakes, the January 19 arrests in Barcelona of suspected jihadists (ref c) was a sober reminder. Predictably, journalists supportive of the PSOE saw a law enforcement success where PP supporters saw a lack of interagency coordination hampering the effort.

[¶4.](#) (U) The Fourth International Congress of Victims of Terrorism was held in Madrid January 22-23. Although the event was formally launched by the Prince of Asturias with a call for "unity and firmness" in the face of terror, it took on partisan overtones. Despite being a member of the Congress's "Committee of Honor," Zapatero did not attend. Instead, the government was represented at the secretary of state level. Some Spanish terrorism victims, associations also reportedly stayed away because the event had become politicized.

[¶5.](#) (U) The PP, including Rajoy, turned out in force. Echoing a Rajoy campaign theme, a number of participants strongly criticized Zapatero for his attempts to negotiate with ETA. Former President Aznar spoke, saying some had stayed away from the event due to "an overabundance of arrogance and a lack of courage, an overabundance of partisanship and a lack of talent." Aznar also said Zapatero had admitted lying about continuing negotiations with ETA following the December 2006 Barajas Airport bombing (ref a).

[¶6.](#) (U) For its part, the government is publicly supporting

Judge Baltasar Garzon's efforts to ban two Basque political parties because of ties to ETA. The parties are the Basque National Action (ANV) and the Communist Party of the Basque Lands (PCTV). Another party (Batasuna) was banned previously. On January 22, First Vice President Maria Teresa Fernandez de la Vega said "he who breaks the law pays for it." The PP also supports the action against ANV and PCTV, but complains the government should have moved sooner.

Regional Autonomy

¶7. (U) On January 20 Rajoy said if he elected he would make Spanish the language of instruction in schools throughout Spain. Unsurprisingly, this stance proved unpopular with Catalan politicians, who were quick to accuse the PP of playing politics with a volatile issue. It certainly will not make Rajoy's job any easier should he be in the position of trying to pull together a coalition post-March 9, a point made publicly by the Josep Antoni Duran i Lleida, leader of the principal Catalan political group, CIU.

¶8. (U) Catalan socialists may have given Rajoy some inadvertent help January 21 by proposing that Catalonia be given more favorable treatment when it comes to distribution of government finances. What they see as disproportionate revenue sharing from the central government to the Catalan and Basque regional governments is a sore point for Spaniards from other regions.

Gallardon Saga

¶9. (U) Although the stock market gyrations helped push it off the front page, the story of Madrid Mayor Alberto

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Ruiz-Gallardon (ref a) is not dead. Speculation continued over whether Gallardon will leave office, leave politics, or just leave the PP after March 9 (or none of the above). He has supposedly skipped some PP public events, although he and PP rival Esperanza Aguirre (President of the Autonomous Community of Madrid) were on stage together at the Fourth International Congress of Victims of Terrorism. PP founder and grand old man (and vocal Gallardon supporter) Manuel Fraga has appealed for unity. The PSOE has continued to use the issue to paint the PP as radical right (Gallardon is a centrist). Media sympathetic to the PSOE reported that Aguirre stalked out of a January 29 business awards dinner when she realized Gallardon was presenting the grand prize (supposedly after trying unsuccessfully to convince the hosts to let her hand out the award).

Foreign Policy

¶10. (U) Center right newspaper El Mundo echoed a PP campaign theme (that Spain has lost international prestige under the PSOE) with a January 30 front page showing on one side the leaders of France, Germany, Italy, the UK, and the EU gathered to discuss the European economy and on the other side Zapatero meeting with the visiting President of Yemen. The caption made stinging mention of Zapatero's claim last September that Spain played in the "champions, league" of the world economy. Also on January 30, Rajoy joined French President Sarkozy and German Chancellor Merkel in Paris for an event organized by Sarkozy's party to discuss the future of the EU. The conservative Spanish press reported gleefully that Sarkozy had wished him great success in the campaign while Merkel predicted the PP would return to government "something she wanted and supported with all her heart." Rajoy also scored a photo of the three of them holding hands. El Mundo juxtaposed that picture on its front page with one of Zapatero at a campaign event with his around a young man with a spectacular mohawk haircut. The conservative press noted Rajoy was being briefed by Sarkozy and Merkel on the

results of the European leaders economic meeting before Zapatero. Merkel traveled to Palma de Mallorca January 31 for a Germany-Spain summit where in a joint press conference with Zapatero she said one must accept that Zapatero's heart beat for the Social Democrats in Germany and she feels closer to the PP. Zapatero for his part said he was sure Merkel agreed that the best for Spain was whatever the Spanish voters decided. There is payback here. Zapatero made no secret of his preference for Sarkozy's socialist opponent in

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the French elections, and he once referred to Merkel's electoral performance as a failure. Perhaps Merkel also recalls Zapatero's role in blocking a German company's attempt to acquire Spanish electric utility Endesa.

¶11. (U) Although the U.S. has not become an electoral issue, there have been occasional nods in our direction. On January 21 PSOE foreign policy secretary Elena Valenciano criticized U.S. detentions at Bagram and Guantanamo. On January 19, Zapatero shrugged off questions about the Spanish economy with a comment about the failure of U.S. "neoconservative" economic recipes.

A Chicken in Every Pot

¶12. (U) We will report more fully on the party platforms and their ramifications via septel, but the following gives an idea of what the candidates are offering voters. Zapatero has promised:

- a 400 euro tax rebate;
- 300,000 new day care spaces;
- a 200 euro increase in the minimum wage;
- a 200 euro increase in pensions;
- a reduction in the inheritance tax
- 1.5 million more housing units;
- 5 billion euros for additional commuter train lines for Madrid;
- closing and not replacing nuclear power plants as they reach the end of their service life;
- creation of congressional seats to represent the 1.5 million Spaniards living outside Spain (presently their votes are counted in the provinces where they are listed in the census);
- four weeks paternity leave for same sex couples; and
- a constitutional reform to allow a female to inherit the crown.

Rajoy has promised:

- an income tax exemption for those making less than 16,000 euros a year;
- 2.2 million jobs

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- 400,000 new day care spaces;
- a reduction in unemployment to 6.5 percent by the end of 2011;
- 3.8 percent annual growth;
- an increase in the budget surplus to three percent by 2011;
- a 150 euro pension hike; and
- lower taxes for businesses and working women.
- a change in the name of the "Law of Homosexual Marriages" to make clear the unions are not marriages.

¶13. (U) Zapatero was quick to accuse the PP of opposing equal rights for women when the Constitutional Tribunal on January 29 rejected a PP challenge to a law which guarantees gender parity on the parties' electoral lists. Although the law is on its face gender neutral, its purpose was to get more women into politics. There could be an interesting sequel to this. On March 8, the day before the election, campaigning is banned. This is to allow a national day of reflection before the vote. However, March 8 also happens to be International Women's Day. It would not take much imagination for the PSOE to use the PP's opposition to the gender parity law to turn

the Women's Day rallies into pseudo-campaign events.

Catholic Church

¶14. (U) The controversy between the Catholic bishops and the PSOE reported in ref a continues. On January 30 the Permanent Commission of the Spanish Episcopal Conference released a letter which, while not naming parties, left little doubt about the bishops' sympathies. Urging voters to take moral issues in account, the bishops referred directly or indirectly to same-sex marriage, abortion, divorce express, civic education oriented towards secularism, and negotiations with terrorist groups (meaning ETA). The PSOE responded with a press release noting all organizations had the right to express their political preferences. They noted the bishops and the PP had spent the entire previous legislature protesting civil rights laws passed by congress. The PSOE said it was immoral and hypocritical for the bishops and the PP to use terrorism as a campaign issue. The PSOE noted every Spanish president since the democratic transition had talked to ETA, adding that Aznar had done so using a bishop as intermediary.

Image

¶15. (U) The PSOE has reportedly contracted the advertising agency Sra. Rushmore, the same company that handles the Coca-Cola campaign in Spain. Meanwhile, Rajoy is getting image advice from Spaniard Antonio Sola, who also advised Mexican President Felipe Calderon.

¶16. (U) Working the suggestion that the PP is the party of negativity and confrontation, the PSOE has come out with a TV spot featuring a character gratuitously delivering bad news and unwanted predictions (e.g., telling patrons waiting to enter a movie theater that the protagonist dies at the end or telling a man waiting to see a doctor that surely he has cancer). Rajoy is not mentioned, but the allusion is clear enough given the PSOE's recent allegations that Rajoy's warnings on the economy were unpatriotic.

Election Polls - To be Taken With a Grain of Salt

¶17. (U) In addition to all the usual caveats about polling, the general election in Spain is really 50 different races in 50 different provinces (plus Ceuta and Melilla). Polls which simplify this to one set of numbers may be of limited use in predicting the outcome. Also, the Spanish media, which sponsors many of the polls, is blatantly partisan.

¶18. (U) An IPSOS poll published in the conservative economic newspaper Expansion, based on 1,000 telephone interviews conducted January 11-13 (before Zapatero's admission the government continued talking to ETA after the December 2006 Barajas bombing, the Gallardon story, and the stock market jitters), showed the PSOE getting 41.5 percent of the vote to the PP's 39.5 percent. Voter turnout was predicted at 68 to 70 percent. The poll also showed 60 percent of Spaniards pessimistic about the economy. The margin of error is unknown.

¶19. (U) A poll published by the leftist newspaper El Publico, based on 4,007 telephone interviews conducted January 14-24 (the period when the three stories mentioned in the preceding paragraph were breaking) showed the PSOE with 44.5 percent of the vote and the PP with 38.7 percent. The margin of error

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was plus or minus 1.3 percent.

What Are Spaniards Thinking?

¶20. (U) In a poll conducted by the government's Center of Sociological Investigations (CIS) December 18-27 (released February 1) 44.1 percent of respondents said the country's economic situation was regular, 35.9 percent said bad or very bad, and 19 percent said good or very good. Asked where the economy would be in a year, 42 percent predicted no change, 34.7 percent said worse, and 9.8 percent said better. On the political situation, 40.2 percent said regular, 36.7 percent said bad or very bad, and 15.5 percent said good or very good. Terrorism was identified as the principal problem in Spain followed by unemployment, the economy, housing, and immigration (in that order). When asked what problems most affected them personally, it was the economy followed by housing. The results were based on interviews of 2,472 Spaniards across Spain and had a margin of error of plus or minus two percent. The poll did not inquire about voting intentions but did ask respondents who they voted for in the 2004 general election. 32.4 percent said PSOE and 19.5 percent said PP. Interestingly, previous CIS polls showed better numbers for the PSOE in response to that same question. In 2007, the PSOE got 36.5 in April, 32.2 in June, 35.8 in July, and 37.3 in October. The PP got 20.1 in April, 19.8 in June, 21.5 in July, and 21.2 in October.

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